

Written Comments for the Record: Hearing on Certain Expiring Tax Provisions

House Ways and Means Subcommittee on Select Revenue Measures

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Invenergy LLC urges the U.S. Congress to extend the wind energy production tax credit (PTC) as quickly as possible. Invenergy develops, owns, and operates power generation facilities in North America and Europe, having developed over 6,600 MW of utility-scale renewable and natural gas-fueled power generation facilities in the United States, Canada, and Europe. With over 2,000 megawatts (MW) of wind placed in service or in construction, we are North America's largest independent wind power generation company.

The domestic wind projects we have built have one common theme beyond the provision of clean, non-polluting energy – they have brought critical economic development to largely rural communities, in some cases during recessionary periods when nothing positive was taking place. Wind is unique among all energy sources in that it allows for direct economic participation in projects by local residents. We count thousands of rural landowners as our partners. In many of our communities, we are the largest contributor to the local tax base, and our projects have in some cases resulted in the continuation of important items, such as school extracurricular activities, that were to be cut due to budgetary constraints.

The 20-year history of the PTC includes several occasions when, due to extensions either very near the expiration date or even after expiration, the wind industry has experienced dramatic boom and bust cycles. As with any industry, policy certainty is a critical factor necessary for growth, which is why it is so important that the Ways and Means Committee to take up the PTC extension as soon as possible.

The federal PTC has proven to be a key driver in the development of the wind industry and the resulting continual reduction in the cost of wind over the years. Today's wind turbines generate 30% more electricity per turbine today than five years ago. Since 2007, over 35,000 MW – about three-quarters of total US wind power – have been constructed, which is 35% of all new electric generating capacity in the last five years. With wind, consumers receive pollution-free energy that has a fuel cost of zero, thereby hedging against unpredictable fossil fuel prices.

It is unquestioned that the PTC has invigorated domestic manufacturing at a time when the country desperately needs manufacturing jobs to stay at home. In the last few years, many manufacturing companies built factories in the US, or retooled existing facilities, to build wind turbine components. Today, the turbines we buy use over 60% US-made components.

As a major developer of wind projects, the lack of any medium-to-long-term certainty has a chilling impact on our plans for domestic wind development. We have multiple projects which would go into service in 2013 that are essentially “shovel-ready” but for an extension of the PTC. However, the uncertainty is forcing those projects to idle. Invenergy is an American-owned, American based company that very much wants to continue to grow here in the US. But sadly, the failure to achieve policy certainty may stunt our potential and cause the communities we want to build in to lose the much-needed economic development we bring. We therefore urge Congress to take immediate action to extend the PTC.